

AD 3/7

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

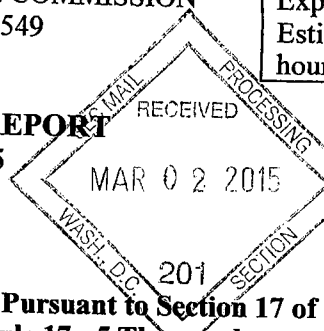
OMB APPROVAL

OMB Number: 3235-0123
Expires: March 31, 2016
Estimated average burden
hours per response . . . 12.00



15047517

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III



SEC FILE NUMBER
8-48097

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/14 AND ENDING 12/31/14
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER - DEALER:
Hartford Securities Distribution Company, Inc.

OFFICIAL USE ONLY

FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

200 Hopmeadow Street

Simsbury (No. and Street) Connecticut 06089
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Diana Benken 860 547 3224
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Deloitte & Touche LLP

(Name - if individual, state last, first, middle name)

185 Asylum Street, 32nd Floor Hartford Connecticut 06103
(Address) (City) (State) (Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2). SEC 1410 (06-02)

Potential persons who are to respond to the collection of
Information contained in this form are not required to respond
unless the form displays a currently valid OMB control number.

20 3/15

AFFIRMATION

I, Diana Benken, affirm that, to the best of my knowledge and belief, the accompanying financial statements and supporting schedules pertaining to the firm of Hartford Securities Distribution Company, Inc, as of and for the year ended December 31, 2014, are true and correct. I further affirm that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer.

Diana K. Benken

Signature

CFO/Controller

Title

John D. Proctor
Notary Public

my commission expires: Sept. 30, 2015



Hartford Securities Distribution Company, Inc.

(An Ultimate Subsidiary of
Hartford Financial Services Group, Inc.)

(SEC. I.D. No. 8-48097)

Financial Statements as of and for the Year Ended
December 31, 2014, Supplemental Schedules as of
December 31, 2014, and Report of Independent
Registered Public Accounting Firm

HARTFORD SECURITIES DISTRIBUTION COMPANY, INC.
(An Ultimate Subsidiary of Hartford Financial Services Group, Inc.)

TABLE OF CONTENTS

This report **contains (check all applicable boxes):

	Page
<input checked="" type="checkbox"/> Independent Auditors' Report.	1
<input checked="" type="checkbox"/> (a) Facing page.	
<input checked="" type="checkbox"/> (b) Statement of Financial Condition.	2
<input checked="" type="checkbox"/> (c) Statement of Operations.	3
<input checked="" type="checkbox"/> (d) Statement of Cash Flows.	4
<input checked="" type="checkbox"/> (e) Statement of Changes in Stockholder's Equity.	5
<input type="checkbox"/> (f) Statement of Changes in Liabilities Subordinated to Claims of General Creditors (not applicable).	
<input checked="" type="checkbox"/> Notes to Financial Statements.	6 – 9
<input checked="" type="checkbox"/> (g) Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934.	10
<input checked="" type="checkbox"/> (h) Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934.	11
<input checked="" type="checkbox"/> (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.	12
<input type="checkbox"/> (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3 (not required).	
<input type="checkbox"/> (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation (not applicable).	
<input checked="" type="checkbox"/> (l) An Affirmation.	
<input checked="" type="checkbox"/> (m) A copy of the SIPC Supplemental Report (filed separately).	
<input checked="" type="checkbox"/> (n) A Report Describing the Broker Dealer's Compliance with the Provisions of SEC Rule 17a-5 (the "Compliance Report") and Report of Independent Registered Public Accounting Firm Thereon (filed separately).	

***For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*



Deloitte & Touche LLP
CityPlace I, 32nd Floor
185 Asylum Street
Hartford, CT 06103-3402
USA

Tel: +1 860 725 3000
Fax: +1 860 725 3500
www.deloitte.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholder of
Hartford Securities Distribution Company, Inc.

We have audited the accompanying statement of financial condition of Hartford Securities Distribution Company, Inc. (the "Company") as of December 31, 2014, and the related statements of operations, cash flows, and changes in stockholder's equity for the year then ended, that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Hartford Securities Distribution Company, Inc. as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The supplemental schedules (g, h and i) listed in the accompanying table of contents have been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental schedules are the responsibility of the Company's management. Our audit procedures included determining whether the supplemental schedules reconcile to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedules. In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in compliance with Rule 17a-5 under the Securities Exchange Act of 1934. In our opinion, such schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Deloitte + Touche LLP

February 27, 2015

HARTFORD SECURITIES DISTRIBUTION COMPANY, INC.

(An Ultimate Subsidiary of Hartford Financial Services Group, Inc.)

STATEMENT OF FINANCIAL CONDITION DECEMBER 31, 2014

ASSETS

Cash and cash equivalents	\$ 25,212,842
Cash segregated	250,000
Deferred income tax asset from affiliate	1,529,768
Accounts receivable	59,880
Other assets	54,726
TOTAL ASSETS	\$ 27,107,216

LIABILITIES AND STOCKHOLDER'S EQUITY

LIABILITIES

Customer payables	\$ 62,880
Due to affiliates	2,039,121
Accounts payable and accrued liabilities	1,209,351
Income tax payable to affiliate	58,780
Total liabilities	3,370,132

STOCKHOLDER'S EQUITY:

Common stock, \$1 par value, 25,000 shares authorized and outstanding	25,000
Additional paid-in-capital	49,957,070
Accumulated deficit	(26,244,986)
Total stockholder's equity	23,737,084

TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 27,107,216
---	----------------------

See notes to financial statements.

HARTFORD SECURITIES DISTRIBUTION COMPANY, INC.
(An Ultimate Subsidiary of Hartford Financial Services Group, Inc.)

STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2014

REVENUES:

Underwriting income	\$ 255,153,256
Mutual fund revenue	15,815,971
Investment management and administration fees	1,259,161
Recordkeeping revenue	149,035
Other revenue	996,778
Total revenues	<u>273,374,201</u>

EXPENSES:

Underwriting expense	255,153,256
Distribution expense	15,815,970
Recordkeeping expense	1,258,424
Other expenses	1,143,103
Total expenses	<u>273,370,753</u>

INCOME BEFORE INCOME TAXES	3,448
----------------------------	-------

INCOME TAX EXPENSE	<u>1,207</u>
--------------------	--------------

NET INCOME	<u><u>\$ 2,241</u></u>
------------	------------------------

See notes to financial statements.

HARTFORD SECURITIES DISTRIBUTION COMPANY, INC.
(An Ultimate Subsidiary of Hartford Financial Services Group, Inc.)

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	\$ 2,241
Adjustments to reconcile net income to net cash used in operating activities:	
Deferred income tax expense	27,017
Changes in operating assets and liabilities:	
Decrease in segregated cash	4,250,000
Decrease in accounts receivable	11,559,520
Decrease in due from affiliate	183,486
Decrease in other assets	25,082
Decrease in customer payables	(1,659,219)
Decrease in due to affiliates	(6,176,546)
Increase in income tax payable to affiliate	58,780
Decrease in accounts payable and accrued liabilities	(18,240,035)
Net cash used in operating activities	(9,969,674)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,969,674)
CASH AND CASH EQUIVALENTS, Beginning of year	35,182,516
CASH AND CASH EQUIVALENTS, End of year	\$ 25,212,842
Supplemental cash flow disclosures:	
Income tax refunds from The Hartford	\$ 269,075
Income tax payments to The Hartford	\$ (1,000)

See notes to financial statements.

HARTFORD SECURITIES DISTRIBUTION COMPANY, INC.

(An Ultimate Subsidiary of Hartford Financial Services Group, Inc.)

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY YEAR ENDED DECEMBER 31, 2014

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholder's Equity
BALANCE, DECEMBER 31, 2013	\$ 25,000	\$ 49,957,070	\$ (26,247,227)	\$ 23,734,843
Net Income	<u>-</u>	<u>-</u>	<u>2,241</u>	<u>2,241</u>
BALANCE, DECEMBER 31, 2014	<u>\$ 25,000</u>	<u>\$ 49,957,070</u>	<u>\$ (26,244,986)</u>	<u>\$ 23,737,084</u>

See notes to financial statements.

HARTFORD SECURITIES DISTRIBUTION COMPANY, INC.

(An Ultimate Subsidiary of Hartford Financial Services Group, Inc.)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

1. ORGANIZATION AND DESCRIPTION OF BUSINESS

Hartford Securities Distribution Company, Inc. (the "Company") is a registered broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company is a wholly owned subsidiary of Hartford Financial Services, LLC, which is an indirect subsidiary of Hartford Life, Inc. (the "Parent"). Hartford Life, Inc. is ultimately owned by The Hartford Financial Services Group, Inc. ("The Hartford").

The Company serves as an underwriter for variable annuity contracts issued by affiliates of the Parent. Until April 2014, the Company also served as the underwriter for a certain variable life product issued by affiliates of the Parent.

On October 1, 2014 the Company became the private placement agent for certain variable insurance contracts written by affiliates of the Parent. The Company pays commissions to third party broker-dealers for the distribution of these contracts.

Until June 19, 2014 the Company executed and cleared trades on behalf of retirement plans. For some of these plans the Company also acted as a non-bank custodian. In this capacity, the Company carried customer funds and securities. The Company continues to hold some residual customer funds and, as a result, continues to be subject to the customer protection rule, Securities Exchange Act of 1934 Rule 15c3-3 ("Rule 15c3-3").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Use of Accounting Estimates – The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, which requires management to make estimates and assumptions that affect the financial statements and related disclosures. The most significant estimate in the financial statements is the need for a valuation allowance for deferred tax assets, the determination of which is made at the consolidated level for all entities included in the consolidated income tax return. Management believes that the estimates utilized in the preparation of the financial statements are reasonable. Actual results could differ materially from these estimates.

Cash and Cash Equivalents – Cash and cash equivalents represent cash on deposit in commercial bank checking accounts and short-term investments in a money market mutual fund with an original maturity of 30 days or less.

Cash Segregated – The Company segregates cash in a special reserve bank account for the benefit of customers as required under Rule 15c3-3.

Fair Value of Financial Instruments – The carrying value of financial instruments, which include receivables and payables, approximates their fair values because of the short-term nature of these assets and liabilities.

For financial instruments that are carried at fair value a hierarchy is used to place the instruments into three broad levels (Level 1, 2, and 3) by prioritizing the inputs in the valuation techniques used to measure fair value.

Level 1: Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access at the measurement date. Level 1 investments include highly liquid open ended management investment companies (“mutual funds”).

Level 2: Observable inputs, other than unadjusted quoted prices included in Level 1, for the asset or liability or prices for similar assets and liabilities. Level 2 investments include those that are model priced by vendors using observable inputs.

Level 3: Valuations that are derived from techniques in which one or more of the significant inputs are unobservable (including assumptions about risk). Because Level 3 fair values, by their nature, contain unobservable market inputs, considerable judgment is used to determine the Level 3 fair values. Level 3 fair values represent the best estimate of an amount that could be realized in a current market exchange absent actual market exchanges.

In certain cases, the inputs used to measure fair value fall into different levels of fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

At December 31, 2014 the Company held an investment in a money market fund for \$23,976,194, which is included in cash and cash equivalents. These investments are carried at fair value, valued at quoted prices, and considered Level 1 investments under the Fair Value hierarchy levels. The Company had no Level 2 or Level 3 investments at December 31, 2014. The Company’s policy is to recognize transfers of securities between levels at the beginning of the reporting period. There were no transfers between the levels for the year ended December 31, 2014.

Customer Payables – Customer payables represents customer cash that is held by the Company.

Underwriting Income and Expense – Variable insurance products underwriting income and expense is recorded as earned or incurred based upon contractual agreements.

Mutual Fund Revenue - The Company, in accordance with Rule 12b-1 of the Investment Company Act of 1940, received 12b-1 fees each month from mutual funds for activities intended to result in the sale and distribution of shares of the mutual funds. The Company accrued 12b-1 fees at a rate in accordance with the mutual fund selling agreements, based on average daily net assets.

Recordkeeping Revenue and Expense – The Company incurred expenses in the process of performing recordkeeping services for certain retirement products and received recordkeeping revenue to compensate for these costs.

Investment Management and Administration Fees – The Company received asset based and transaction based revenues in the course of managing retirement plans according to contractual terms.

Distribution Expense – Distribution expenses are accrued monthly based upon average daily net assets attributable to the distribution partner.

Income Tax – See Note 4.

New Accounting Pronouncements - In May 2014, the Financial Accounting Standards Board issued updated guidance for recognizing revenue. Revenue is to be recognized when, or as, goods or services are transferred to customers in an amount that reflects the consideration to which an entity is expected to be entitled in exchange for those goods or services. This accounting guidance is similar to current accounting for many transactions. This guidance is effective retrospectively for years beginning after December 15, 2016, with a choice of restating prior periods or recognizing a cumulative effect for contracts in place as of the adoption. Early adoption is not permitted. The Company is currently evaluating the impact that this guidance will have on its financial statements.

3. RELATED-PARTY TRANSACTIONS

The Company acts as an underwriter for certain variable insurance contracts issued by its affiliates. For the year ended December 31, 2014, the Company received \$960,177 from affiliates as reimbursement for certain expenses incurred for performing these functions, which is included in other revenue. The Company received \$255,153,256 from affiliates for underwriting the insurance contracts.

For the year ended December 31, 2014, the Company was allocated \$860,304 by its affiliate, Hartford Life and Accident Insurance Company ("HLA"), for general and administrative expenses which are included in other expenses.

Management believes intercompany transactions are calculated on a reasonable basis; however, these transactions may not necessarily be indicative of the terms that would be incurred if the Company operated on a standalone basis.

4. INCOME TAXES

The Company and its Parent are parties to a tax sharing agreement under which each member in the consolidated U.S. Federal income tax return will make payments between them such that, with respect to any period, the amount of taxes to be paid by the Company, subject to certain tax adjustments, generally will be determined as though the Company were filing a separate Federal income tax return except that current credit for net losses will accrue to the Company to the extent the losses provide a benefit in the consolidated return. Under this method, the Company's deferred tax assets are considered realized by it so long as the group is able to recognize the related deferred tax asset attribute.

Income tax expense/(benefit) for the year ended December 31, 2014 is comprised of the following components:

Current - U.S. Federal income tax	\$ (25,810)
Deferred - U.S. Federal income tax	27,017
Income tax Expense	<u>\$ 1,207</u>

The Company recognizes taxes payable or refundable for the current year and deferred taxes for the tax consequences of differences between financial reporting and tax basis of assets and liabilities. Deferred tax assets are measured using enacted tax rates expected to apply to taxable income in the years the temporary differences are expected to reverse.

The components of deferred tax assets at December 31, 2014:

Net Operating loss carryforward	\$ 11,460
Alternative Minimum Tax Credit	1,518,308
Total deferred tax asset	<u>\$ 1,529,768</u>

In management's judgment, the deferred tax asset will more likely than not be realized. Accordingly no valuation allowance has been recorded.

At December 31, 2014, there was no recognized tax benefit: 1) that if recognized would affect the effective tax rate and 2) that is reasonably possible of significantly increasing or decreasing within the next 12 months.

The Parent is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations for years prior to 2007. The audit of the years 2007-2011 is expected to conclude in 2015, with no material impact on financial statements.

5. NET CAPITAL REQUIREMENTS

The Company, as a registered broker-dealer in securities, is subject to the Securities and Exchange Commission's Uniform Net Capital Rule 15c3-1, which requires the Company to maintain minimum net capital equal to the greater of \$250,000 or 2% of combined aggregate debit items shown in the Formula for Reserve Requirements, pursuant to Rule 15c3-3.

At December 31, 2014, the Company had net capital of \$21,613,186 which was \$21,363,186 in excess of its required net capital of \$250,000.

6. CONTINGENT LIABILITIES

In the normal course of business, the Company may be named as a defendant in various lawsuits and may be involved in certain investigations and proceedings. Some of these matters may involve claims of substantial amounts. Management evaluates each contingent matter separately and a loss is recorded if probable and reasonably estimable. Management establishes reserves for these contingencies at its "best estimate", or, if no one number within the range of possible losses is more probable than any other, the Company records an estimated reserve at the low end of the range of losses. At December 31, 2014, management believes that the ultimate liability, if any, with respect to such normal course litigation, is not material to the financial condition, results of operations or cash flows of the Company.

7. SUBSEQUENT EVENTS

The Company evaluated subsequent events through the date the financial statements were issued and identified no events that should be disclosed in the notes to the financial statements.

* * * * *

Schedule (g)

HARTFORD SECURITIES DISTRIBUTION COMPANY, INC.
(An Ultimate Subsidiary of Hartford Financial Services Group, Inc.)

Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1
Under the Securities Exchange Act of 1934
December 31, 2014

STOCKHOLDER'S EQUITY	\$23,737,084
LESS NONALLOWABLE ASSETS:	
OTHER ASSETS	(54,726)
ACCOUNTS RECEIVABLE	(59,880)
DEFERRED INCOME TAX ASSET FROM AFFILIATE	<u>(1,529,768)</u>
NET CAPITAL BEFORE HAIRCUTS ON SECURITIES POSITIONS (Tentative Net Capital)	<u>22,092,710</u>
LESS HAIRCUTS ON SECURITIES	<u>(479,524)</u>
NET CAPITAL	21,613,186
NET CAPITAL REQUIREMENT (the greater of \$250,000 or 2% of combined aggregate debit items as shown in formula for reserve requirements pursuant to rule 15c3-3 prepared as of date of net capital computation)	<u>250,000</u>
NET CAPITAL IN EXCESS OF REQUIREMENT	<u><u>\$21,363,186</u></u>

NOTE: No material differences exist between the computation of net capital above and that included in the Company's unaudited December 31, 2014 Focus Part II report filed on January 26, 2015.

HARTFORD SECURITIES DISTRIBUTION COMPANY, INC.

(An Ultimate Subsidiary of Hartford Financial Services Group, Inc.)

**Computation for Determination of Reserve Requirements for Brokers and Dealers
Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934****December 31, 2014****CREDIT BALANCES**

Free credit balances and other credit balances in customers' accounts	\$	62,880
Monies borrowed collateralized by securities carried for the accounts of customers		
Monies payable against customers' securities loaned		
Customers' securities failed to receive		
Credit balances in firm accounts that are attributable to principal sales to customers		
Market value of stock dividends, stock splits, and similar distributions receivable outstanding over thirty calendar days		
Market value of short security count differences over thirty calendar days old		
Market value of short securities and credits (not to be offset by longs or by debits) in all suspense accounts over thirty calendar days		
Market value of securities that are in transfer in excess of forty calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer		
Total Credit Items		<u>62,880</u>

DEBIT BALANCES

Debit balances in customers' cash and margin accounts excluding unsecured accounts and accounts doubtful of collection net of deductions pursuant to rule 15c3-3		
Securities borrowed to effectuate short sales by customers and securities borrowed to make delivery on customers' securities failed to deliver		
Failed to deliver of customers' securities not older than 30 calendar days		
Other		
Gross Debits		
Less 1% charge		
Total Debit Items		<u>-</u>

RESERVE COMPUTATION

Excess of total credits over total debits	\$	62,880
Amount held on deposit in "Reserve Bank Account"	\$	<u>250,000</u>

NOTE: No material differences exist between the computation of the reserve requirement above and that included in the Company's unaudited December 31, 2014 Focus Part II report filed on January 26, 2015.

HARTFORD SECURITIES DISTRIBUTION COMPANY, INC.

(An Ultimate Subsidiary of Hartford Financial Services Group, Inc.)

Information Relating to Possession or Control Requirements under Rule 15c3-3 of the Securities and Exchange Commission**December 31, 2014**

1. Customers' fully paid and excess margin securities not in the respondent's possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date but for which the required action was not taken by respondent within the time frames specified under rule 15c3-3):

\$0

A. Number of items

0

2. Customers' fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under rule 15c3-3:

\$0

A. Number of items

0

NOTE: No material differences exist between the computation of the possession or control requirement above and that included in the Company's unaudited December 31, 2014 Focus Part II report filed on January 26, 2015.



Deloitte & Touche LLP
CityPlace I, 32nd Floor
185 Asylum Street
Hartford, CT 06103-3402
USA

Tel: +1 860 725 3000
Fax: +1 860 725 3500
www.deloitte.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholder of
Hartford Securities Distribution Company, Inc.

We have examined Hartford Securities Distribution Company, Inc.'s (the "Company") statements, included in the accompanying Report Describing the Broker Dealer's Compliance with the Provisions of SEC Rule 17a-5, that (1) the Company's internal control over compliance was effective during the period June 1, 2014 through December 31, 2014; (2) the Company's internal control over compliance was effective as of December 31, 2014; (3) the Company was in compliance with 17 C.F.R. §§ 240.15c3-1 (the "net capital rule") and 240.15c3-3(e) (the "reserve requirements rule") as of December 31, 2014; and (4) the information used to state that the Company was in compliance with the net capital rule and reserve requirements rule was derived from the Company's books and records. The Company's management is responsible for establishing and maintaining a system of internal control over compliance that has the objective of providing the Company with reasonable assurance that non-compliance with the net capital rule, 17 C.F.R. § 240.15c3-3, 17 C.F.R. § 240.17a-13, or NASD Rule 2340 of the Financial Industry Regulatory Authority that requires account statements to be sent to the customers of the Company will be prevented or detected on a timely basis. Our responsibility is to express an opinion on the Company's statements based on our examination.

We conducted our examination in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Company's internal control over compliance was effective as of December 31, 2014 and during the period June 1, 2014 through December 31, 2014; the Company complied with the net capital rule and reserve requirements rule as of December 31, 2014; and the information used to assert compliance with the net capital rule and reserve requirements rule as of December 31, 2014 was derived from the Company's books and records. Our examination includes testing and evaluating the design and operating effectiveness of internal control over compliance, testing and evaluating the Company's compliance with the net capital rule and reserve requirements rule, determining whether the information used to assert compliance with the net capital rule and reserve requirements rule was derived from the Company's books and records, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Company's statements referred to above are fairly stated, in all material respects.

Deloitte & Touche LLP

February 27, 2015

Report Describing the Broker Dealer's Compliance with the Provisions of SEC Rule 17a-5

Hartford Securities Distribution Company, Inc. (the "Company") is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). As required by 17 C.F.R. § 240.17a-5(d)(1) and (3), the Company states as follows:

- (1) The Company has established and maintained Internal Control Over Compliance, as that term is defined in paragraph (d)(3)(ii) of Rule 17a-5.
- (2) The Company's Internal Control Over Compliance was effective during the period June 1, 2014 to December 31, 2014;
- (3) The Company's Internal Control Over Compliance was effective as of the end of the most recent fiscal year ended December 31, 2014;
- (4) The Company was in compliance with 17 C.F.R. § 240.15c3-1 and 17 C.F.R. §240.15c3-3(e) as of the end of the most recent fiscal year ended December 31, 2014; and
- (5) The information the Company used to state that the Company was in compliance with 17 C.F.R. §240.15c3-1 and 17 C.F.R. §240.15c3-3(e) was derived from the books and records of the Company.

Hartford Securities Distribution Company, Inc.

I, Diana Benken, affirm that, to my best knowledge and belief, this Compliance Report is true and correct.

By: Diana H. Benken

Title: CFO/Controller

February 27, 2015

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Hartford Securities Distribution Company, Inc.
200 Hopmeadow Street
Simsbury, CT 06089

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2014, which were agreed to by Hartford Securities Distribution Company, Inc. (the "Company") and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and SIPC solely to assist you and the other specified parties in evaluating the Company's compliance with the applicable instructions of the Form SIPC-7. The Company's management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States). The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, noting no differences.
2. Compared the total revenue amounts of the audited Form X-17A-5 for the year ended December 31, 2014, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2014, noting no differences.
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences.
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers, noting no differences.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

February 27, 2015

Hartford Securities Distribution Company, Inc.
S.E.C. ID No. 8-48097
FINRA Firm No. 37819
Schedule of 2014 SIPC Assessment Payments

July 28, 2014 \$ 4,924.00 **Semi-annual Assessment (Form SIPC-6)**

Sent to: **Securities Investor Protection Corp**
 P.O. Box 92185
 Washington, DC 20090-2185

February 13, 2015 \$ 1,088.00 **Annual Assessment (Form SIPC-7)**

Sent to: **Securities Investor Protection Corp**
 P.O. Box 92185
 Washington, DC 20090-2185